

# PROGNOSIS POSITIVE

Downtown revitalization, a mixed-use construction boom and infrastructure growth are among factors driving business for OEMs in the region.

by Kaija Wilkinson

With thousands of employees and a presence dating back more than a century in some cases, elevator OEMs say business throughout the Southern U.S. region is strong and only expected to improve. They describe a large, diverse workload; highlight hotspots in Florida, Georgia, North Carolina and Texas; and talk about population and construction trends that distinguish and drive business in particular markets. ELEVATOR WORLD spoke with KONE, Schindler and Otis, and all say they are hiring in the region.

Schindler, which established a presence in the South through the acquisition of Westinghouse in the 1920s, then Haughton in the 1970s, has a southern regional staff of more than 1,700. Jobs, particularly for skilled laborers, are plentiful, with Atlanta, Charlotte and Miami leading the “help wanted” pack.

Despite macroeconomic concerns, the South is a shining star in the Schindler portfolio, says Mike Ramandanes, senior vice president of New Installations. Outlook is strong over the next five years, he says, thanks to factors such as downtown revitalization, a mixed-use development boom, modernization of 1970s- and 1980s-era towers in cities like Dallas, Houston and Atlanta and improvements to high-traffic facilities such as airports and stadiums. “The South has the greatest number of construction projects in the pre-planning phase,” Ramandanes observes, continuing:

*“We expect this market to be very strong moving forward and, in general, are excited about the South. We are going to continue to help shape its skylines, but one of the biggest opportunities is having a hand in impacting lifestyles and communities with mixed-use developments. We’re very bullish in the South.”*



▶ Atlanta’s VT job market is sizzling; photo by Williams Thompson from Pixabay.

Among Schindler projects are:

- ◆ In Charlotte, North Carolina, 620 South Tryon, a 33-story tower for Bank of America between Bank of America Stadium (home of the National Football League’s Carolina Panthers) and (minor-league baseball stadium) BB&T Ballpark will include office space for thousands of employees, retail and a grassy landscaped area with a promenade. The development will be served by 13 Schindler 7000 high-rise, seven 5500 mid-rise and two 330A low-rise hydraulic elevators.



▶ Houston's Wells Fargo Plaza, built in 1982, is getting a new elevator system, including 11 double-deck Schindler units; photo courtesy of Wells Fargo Plaza.

- ◆ In Dallas, Katy Station, a 29-story apartment tower just north of downtown, nestled in the midst of the Design District, Uptown and the Arts District with easy access to thousands of jobs and dozens of entertainment options, will be served by five 5500 mid-rise elevators.
- ◆ In Houston, Wells Fargo Plaza, a 71-story, circa-1982 office building is being modernized in a project that includes six escalators and 49 elevators, 11 of which will be double-deck shuttle units. Forty-five elevators will be equipped with Schindler's destination-dispatch technology, PORT, and the escalator modernization will implement the Schindler InTruss solution.

### Keeping Up With Technology

Modernization of vertical-transportation (VT) systems is brisk in cities such as Dallas and Houston, which saw their first heyday in the 1970s and 1980s. Otis tells EW it has been involved in many large-scale modernizations in the two cities recently, "including a prominent bank, hotel and multiple high-rise office buildings."

At the 40-story Two Houston Center, completed in the early 1970s in downtown Houston and now owned by Brookfield Properties, KONE is modernizing 23 traction (20 gearless and three geared) elevators with:

- ◆ New controllers and regenerative drives
- ◆ Destination dispatch with touchscreens on every floor
- ◆ Reconditioned machines
- ◆ 18 redesigned passenger cabs



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— KONE DIRECTOR OF MARKETING & COMMUNICATIONS PATRICK O'CONNELL

"The effort to make buildings of the 1970s and 1980s current with today's smart elevator is a practice we're proudly part of as urbanization continues across key American cities," KONE Director of Marketing & Communications Patrick O'Connell says.

While some Southern cities have quite a few older towers being revitalized, other cities are relatively new to the high-rise game. One such newcomer is Charlotte, which Ramandanes describes as "a very promising location for us." He continues:

*"Referred to as the banking capital of the U.S., Charlotte is still considered fairly new in terms of cities. It's no Detroit, but it is certainly trying to handle its growth. It's got transit concerns. It's got sustainability concerns. But city leaders are working to address these, and you still have more young people moving there every year."*

### "Live, Work and Play"

No matter the city, the South is different from other regions in that it tends to attract a pretty even mix of millennials and retirees, Ramandanes says. No matter their age, people want to "live, work and play" within centrally located, walkable areas. This, he says, is fueling a significant mixed-use development boom.

"Live, work and play," are the words developer Endeavor Real Estate Group uses to describe The Quincy, a 30-story tower with office, residential and retail space on Red River Street in downtown Austin (EW, December 2018). Designed to incorporate public art and pedestrian pathways, The Quincy is expected to be complete by 2021.

Multiple towers of various types are rising in Austin, which Otis describes as "one of the fastest-growing markets in the U.S." Some of Otis' recent Austin projects include "major hotel properties, residential buildings, hospitals and office towers."

Austin is among the "tech-forward" cities OEMs say are eager for the latest VT technology. Ramandanes elaborates:

*"Customers in cities including Austin, Nashville, Dallas, Charlotte and Miami are ready and willing to embrace innovation to enhance passengers' elevator experiences. Schindler*

*Continued*

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*PORT and Schindler Ahead, Internet of Things/Internet of Elevators and Escalators (IoEE) offerings are increasingly popular. The industry is headed toward more of an IoEE experience to improve customers' and passengers' interactions with elevators and escalators."*

Schindler's projects run the gamut, but in the South, work is "more heavily weighted toward private general contractor projects in the residential and hotel sector," Ramandanes says. Hotel and condo towers continue to multiply in Miami, and elevator companies are among those reaping the rewards. Furthermore, adoption of both the live-work-play model and the latest technology has been prevalent for decades in Miami, longer than many other Southern cities, Ramandanes says.

Schindler is among the companies busy in, and optimistic about, the market in Miami and beyond. "Florida is interesting," Ramandanes says. "Over the past few years, it's experienced the fastest growth in the construction market of any other U.S. state," he continues. "About 40% of that [growth] is mixed-use development." Along with Miami, Jacksonville, Naples and Tampa are busy Florida markets for KONE, O'Connell says.

Beyond city centers, OEMs are upgrading facilities, like airports, that support them. KONE tells EW it has participated in improvements at some of America's largest airports, such as Hartsfield-Jackson Atlanta International Airport, "with new equipment to serve this busy airport's terminal expansions, along with modernization of existing infrastructure to keep equipment current with smart and safe operational enhancements," according to O'Connell.

Schindler has performed airport VT work in Oklahoma (Will Rogers Airport in Oklahoma City and Tulsa International

Airport), Florida (Tampa International Airport and Orlando International Airport), North Carolina (Charlotte Douglas International Airport) and Georgia (Hartsfield-Jackson Atlanta International Airport).

### Physical Presence

OEMs also cast a big physical presence across the South that's about to get even bigger. Allen, Texas, is home to KONE R&D, light manufacturing and test-tower operations, as well as an operations facility that serves all of North America.

Perhaps the biggest recent news is thyssenkrupp's new Innovation and Qualification Center (IQC) taking shape at The Battery (home of Major League Baseball's Atlanta Braves) just north of Atlanta (EW, September 2018). Including what will be the tallest elevator test tower in the U.S. at 420 ft and the company's new North American headquarters, it is bringing hundreds of jobs to the area and injecting millions of dollars into the local economy. At the IQC groundbreaking in April, interim CEO Steve Wedge said:

*"The [center] is going to be a true differentiator in our industry thanks in part to its prominent, high-visibility location and its. . . design. Our new North American headquarters will enable us to further foster partnerships within the local business community, while expanding on our valuable relationships with the Atlanta Braves and Georgia Tech University, to name a few."* 🌐



▶ Charlotte is a young city with young people moving in every year; photo by asmarquis from Pixabay.



▶ Miami has embraced the latest technology for decades; photo by skeeze from Pixabay.